

Hog Prices: ↓ Soymeal: ↓
Corn: ↑ CDN Dollar: ↓↑

Forward contract prices opened lower this morning. US cash markets were mixed with the negotiated prices finding some support in yesterday's trade after hitting the lowest level since early September earlier this week. Formula-based prices appear to be transitioning to firmer pricing with positive influence coming from the pork carcass cut-out. Hams and bellies have improved by nearly 10% over the last week while most of the other primal cuts have traded in a firm trend. Lean hog futures continue in a divergent trend with the nearby contracts seeing direct influence from cash markets, while the deferred months are seeing increased speculation about African Swine Fever in China (and the potential implications to US pork exports). Earlier this week, Chinese officials said that there have been 81 cases of the disease in 21 provincial regions which led to the culling of 631,000 hogs. This is the first time the market has seen an official reference regarding the total number of culled animals, and at approximately 0.1% of their herd, the official number presented is likely lower than the actual losses.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading higher to finish the week on speculative optimism and an export sales report that came in at the upper end of expectations. The optimism stems from the rhetoric trickling out on both sides of the USA/China trade spat that appear to be more cohesive than the earlier information coming from the US side alone. Nonetheless, market watchers note there were no concrete 'deals' signed at the last meeting between the two trading partners. The weekly Export Sales report was delayed by a day due to the US national day of mourning over the death of US President George H.W. Bush and showed 890,000 MT were sold against a 600,000 to 900,000 MT pre-report estimate. The figure represents sales that were up 42% from the week prior and 87% over the four-week average.

US corn futures opened higher this morning. Like beans, US corn futures are trading higher to finish the week. While commodities markets were open on the US national day of mourning, most government agencies were not which pushed some reports back by a day. The weekly Export Sales report was one of them, and it was instead released early this morning. Net sales came in at 1.18 MMT against a pre-report estimate range between 800,000 MT and 1.1 MMT. The report is considered bullish against a backdrop the sees more optimism in the global trading arena even though the Chinese relationship is uncertain and there is no word if the steel and aluminum tariffs (and subsequently, the Mexican pork tariff retribution) will be removed any time soon.

US Slaughter	
471,000	Thursday
465,000	Year Ago
Daily Prices	
W. Corn Belt	\$47.05
National	\$59.00
Iowa/S. MN.	\$47.33
ML Signature 5	\$127.98
HyLife (prev. day)	\$138.65
TCP/BP2	\$127.98
BoC Rate (Noon) prev. day	
\$1.3404 CAD / \$0.7460 USD	
Cash Prices Week Ending December 8th, 2018	
Signature 3	117.08/53.11
Signature 4	139.43/63.25
Signature 5	128.26/58.18
Brandon	
h@ms Cash	N/A
HyLife	N/A
TCP/BP2	130.14/59.03
Moose Jaw/Langley	
2018 Top-Up Estimate	
\$6.10 ckg (call for details)	
ISO Weans \$54.07 US Avg.	
Feeder Pigs \$65.18 US Avg.	

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		135.82 146.21	149.56 152.90	150.83 156.56	157.87 165.26	165.02 179.16	180.12 193.11	187.31 189.97	176.40 191.16	158.83 165.93	153.28 156.95
Soymeal Wpg/S.Man	462	462	466	466	473	473					

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